

## **AMENDATORY SECTION:**

**WAC 230-40-815 Administrative and accounting control structure--Organization--House-banking.** Each licensee operating a house-banked card game shall ensure that all games are closely controlled, operated fairly and in accordance with all rules of the commission. The following control procedures and conditions shall be met:

### **Internal controls.**

(1) The licensee shall have a system of internal controls that include at least the following:

(a) Administrative controls, which include, but are not limited to, the organization's plan, procedures, and records concerned with decision processes leading to management's authorization of transactions; and

(b) Accounting controls which include the licensee's plan, procedures, and records concerned with the safeguarding of assets and the reliability of financial records. These controls must be designed to provide reasonable assurance that:

(i) Transactions are executed in accordance with management's general and specific authorization;

(ii) Transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles, and to maintain accountability for assets;

(iii) Access to assets is permitted only in accordance with management's authorization; and

(iv) The recorded accountability for assets is compared with existing assets at least annually and appropriate action is taken within five working days with respect to any differences.

### **Administrative controls.**

(2) The licensee's system of administrative controls shall provide for the following:

(a) Competent personnel with an understanding of prescribed procedures;

(b) The segregation of incompatible functions so that no employee is in a position to perpetrate and conceal errors or irregularities in the normal course of his or her duties; and

(c) Each employee of a house-banked card room shall be licensed by the commission and shall be knowledgeable in all accounting and internal control practices and procedures relevant to each employee's individual function.

### **Separate departments and functions.**

(3) The licensee shall, at a minimum, establish the following departments or functions that shall be independent from all other departments or functions:

#### *Surveillance.*

(a) A surveillance department which shall not include security functions or personnel. The head of surveillance shall be responsible for, but not limited to, the following:

(i) The clandestine surveillance of the operation and conduct of the table games;

(ii) The clandestine surveillance of the operation of the cashier's cage;

(iii) The video and audio ((taping)) recording of activities in the count rooms;

- (iv) The detection of cheating, theft, embezzlement, and other illegal activities in the gaming facility, count rooms, and cashier's cage;
- (v) The video (~~taping~~) recording of unusual or suspected illegal activities;
- (vi) The notification of appropriate supervisors and commission staff, within three working days, upon the detection of cheating, theft, embezzlement, or other illegal activities;
- (vii) Ensuring that each dealer is evaluated to determine if all required dealer procedures and techniques set forth in the licensee's approved internal controls are followed; and
- (viii) Ensuring all surveillance employees have a demonstrated knowledge of the following:
  - (A) Operating surveillance systems;
  - (B) Rules of play and procedures for the games being played; and
  - (C) The overall procedures relating to the duties of all employees of the house-banked card room being monitored (dealers, shift managers, floor supervisors, cage cashier's and count team members).

#### *Security.*

- (b) A security department, supervised by a security department manager, is responsible for at least the following:
  - (i) Control of cards and dealing shoes, including storage of new and used cards and shoes, and control of the disposition and/or destruction of same when removed from service; and
  - (ii) Transfer of cash and chips to and from the gaming tables, cage and count room.

#### *Gaming operations.*

- (c) A gaming operation department supervised by a gaming operation department manager who shall be responsible for the operation of all house-banked card games conducted by ensuring the following:
  - (i) Card games are operated by licensed dealers who are assigned to each gaming table;
  - (ii) A floor supervisor is assigned the responsibility for the overall supervision of the conduct of gaming within a pit and can supervise no more than five tables: Provided, That a single supervisor may supervise up to seven tables, if only seven tables are in operation and the layout was preapproved by commission staff;
  - (iii) A licensee which utilizes two separate areas of a gaming establishment shall require at least one supervisor in each area; and
  - (iv) A shift manager, who reports to the gaming operation department manager, is assigned to supervise floor supervisors and all gaming related activities that occur during each shift. In the absence of the gaming operation department manager, the shift manager shall have the authority of a gaming operation department manager: Provided, That in addition to the floor supervisors required in this subsection, licensees operating more than ten tables shall be required to have a shift manager on the premises.

#### *Accounting.*

- (d) An accounting department supervised by an individual who shall report directly to the chief executive officer or chief operations officer. The responsibilities of the accounting department shall include, but not be limited to, the following:
  - (i) Implementing and monitoring of accounting controls;
  - (ii) The preparation, control, and storage of records and data required;
  - (iii) The control of unused forms inventory along with reconciliation of forms used; and

(iv) The control and supervision of the cashier's cage.

**Modifications.**

(4) Any changes to the licensee's system of internal controls must be submitted to commission staff and be approved prior to implementation.

**Employees shall be informed of internal controls.**

(5) All licensed operators shall inform their card room employees of the internal controls related to their respective area of responsibility. Furthermore, both the operator and all card room employees shall follow these internal controls at all times.